

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1133 - HB 1333

March 17, 2015

SUMMARY OF BILL: Requires that a \$500,000 annuity be provided to the beneficiary of any emergency medical services (EMS) personnel or a 911 operator who is killed in the line of duty, with the estate receiving an annual installment of \$50,000 for ten years. To receive such sum, the EMS personnel or 911-operator must have been current in required training and physical exams when the incident occurred. Such payment shall be made from the General Fund after the Department of Finance and Administration receives a certified death certificate and affidavit from the decedent's employer that such decedent was killed in the line of duty.

Increases the current death benefit for any firefighter, volunteer rescue worker, or law enforcement officer who is killed in the line of duty and is current in required training and any necessary physical exam at the time the incident occurs, from a lump sum of \$25,000 to a \$500,000 annuity with the estate receiving an annual installment of \$50,000 for ten years.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$250,000

Other Fiscal Impact – The number of death benefits that will be awarded annually is unknown. The provisions of the bill will increase the state's liability by increasing the total amount of the benefit, the length of time the benefit is paid out, and the types of occupations that may receive the benefit. For each individual benefit awarded, there will be an increase in expenditures of at least \$475,000 per benefit over a ten year period.

Assumptions:

- Currently, death benefits are provided to the estates of firefighters, volunteer rescue squad workers, and law enforcement personnel who are killed in the line of duty.
- The current state budget includes recurring death benefit amounts for four law enforcement officers or \$100,000 (4 officers x \$25,000) and \$50,000 (2 firefighter/rescue squad x \$25,000) for one firefighter and one rescue squad member per year, for a total of \$150,000. Currently, any unused funding reverts back to the General Fund at years end.
- This legislation would increase the current recurring general fund allocations by \$25,000 per individual per year to keep the funding allocation at the current level. The increase is estimated to be \$150,000 (6 individuals x \$25,000).

- The EMS workers and 911-operators are not currently eligible for a death benefit. It is estimated the fund will need to be increased on a recurring basis by \$100,000 to cover the \$50,000 benefit for at least one EMS worker and one 911-operator.
- The number of beneficiaries that will claim this death benefit is unknown. A beneficiary has several years to claim the death benefit. The provisions of the bill make this an annual benefit for a period of ten years and increase the overall liability of the state for these benefits. If a beneficiary is awarded the benefit, there will be recurring expenditures out of the fund over a ten year period that will result in increased expenditures from the fund of \$50,000 per individual benefit and will reduce the reversions to the general fund. The total increase in expenditures for each individual benefit is \$475,000 (\$500,000 - \$25,000) over a ten year period.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding", written in a cursive style.

Jeffrey L. Spalding, Executive Director

/jdb